

Budget Narrative/Justification

Missouri's budget covers the four calendar years of the Cooperative Agreement Program's proposed project period, from January 15, 2010 through December 31, 2013. This time period represents portions of five fiscal years:

- FY2010 – 9 months from January 15, 2010 through September 30, 2010.
- FY2011 – 12 months from October 1, 2010 through September 30, 2011.
- FY2012 – 12 months from October 1, 2011 through September 30, 2012.
- FY2013– 12 months from October 1, 2012 through September 30, 2013.
- FY2014 – 3 months from October 1 2013 through December 31, 2013

As required by the FOA, included below are budget justification/narratives for the combined multi-year project period as well as each of the fiscal years comprising the project period . Because we are only allowed to submit four individual 424A forms, we are combining FY2013 and FY2014 on a single form.

Missouri has initiated strategic planning efforts targeting the completion of a Strategic Plan by January 31, 2010 and the completion of an Operational Plan by April 30, 2010. The budget narrative includes detail for one month of the strategic planning process (beginning January 15, 2010) and three months of the operational planning process. The budget narrative that follows details expenses for each of the four project years. The budget for the proposed project is based on the following assumptions:

- **The State plans to use non-federal cash to match federal grant funds:** At the time of submission the State plans to use non-federal cash to match federal grant funds.
- **Additional staff and counsel that will be hired by MO-HITECH to support the project:** Staffing is identified by position and includes associated salary costs.
- **New and existing contracts:** New contracts and portions of existing contracts, such as the State's contract with a consulting firm to assist in the development of the Strategic and Operational Plans, are based on amounts expected to be spent after January 15, 2010.
- **Procurements to expand Missouri's technical infrastructure to support HIE:** The budget breaks out separate estimates for equipment and services for two large procurements, one in FY 2010 and one in FY 2011. However, based on the outcome of the strategic and operational planning processes, specifically the technical architecture to be employed, the amounts and classifications of these items could change.

These estimates are justified in detail in the justification column of the tables below, per the instructions set out in Appendices J and K of the FOA.

Missouri Health Information Technology (MO-HITECH) Program
Budget Narrative/Justification

Combined Multi-Year Budget Narrative/Justification

Object Class Category	Federal Funds	Non- Federal Cash	Non- Federal In-Kind	TOTAL	Justification
Personnel	\$1,145,625	\$174,375	\$0	\$1,320,000	See annual detail below
Fringe Benefits	\$681,060	\$104,670	\$0	\$785,730	See annual detail below
Travel	\$186,964	\$23,754	\$0	\$210,719	See annual detail below
Equipment	\$2,999,915	\$341,133	\$0	\$3,341,048	See annual detail below
Supplies	\$ 264,118	\$38,633	\$0	\$ 302,752	See annual detail below
Contractual	\$6,719,702	\$714,995	\$0	\$7,434,697	See annual detail below
Other	\$1,767,657	\$280,749	\$0	\$2,048,406	See annual detail below
Indirect Charges	\$0	\$0	\$0	\$0	N/A
TOTAL	\$13,765,040	\$1,678,311	\$0	\$15,443,351	

Missouri Health Information Technology (MO-HITECH) Program
Budget Narrative/Justification

Budget Narrative/Justification —2010

Object Class Category	Federal Funds	Non-Federal Cash	Non-Federal In-Kind	TOTAL	Justification
Personnel	\$322,500	\$7,500	\$0	\$ 330,000	MO-HITECH staff - <ul style="list-style-type: none"> • Director/Health IT Coordinator: \$115,000 • Project Manager: \$80,000 • Communications Director: \$65,000 • 2 Administrative Staff: \$70,000 Total: \$330,000
Fringe Benefits	\$186,115	\$4,328	\$0	\$190,443	Fringe benefit rate @ 57.71% applied to MO-HITECH staff Total: \$190,443
Travel	\$62,968	\$1,464	\$0	\$64,433	In-state travel and supplies for Advisory Board meetings Total: \$42,955
					Professional meetings and activities for workgroups and MO-HITECH Office Total: \$21,478
Equipment	\$450,767	\$10,483	\$0	\$461,250	Funding for hardware and software and contract for systems development, software development, installation, etc. Total: \$400,000
					Office Equipment Purchases <ul style="list-style-type: none"> • 1 copier @ \$5,000 • 5 Computers @ \$900 each - \$4,500 • Software for 5 computers @ \$450 each - \$2,250 • 1 Fax Machine at \$500 • 5 Phones and installation @ \$600 each - \$3,000 • High speed Office Printer @ \$1,000 • Systems Furniture, desks Total: \$61,250
Supplies	\$77,796	\$1,809	\$0	\$79,606	Meeting expenses for monthly Business & Technical Operations/Adoption Workgroup meetings Total: \$7,000

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					<p>Meeting expenses for monthly Consumer Engagement Workgroup meetings Total: \$7,000</p> <p>Meeting expenses for monthly Finance Workgroup meetings Total: \$7,000</p> <p>Meeting expenses for monthly Governance Workgroup meetings Total: \$7,000</p> <p>Meeting expenses for monthly Infrastructure Workgroup meetings Total: \$7,000</p> <p>Meeting expenses for monthly Legal/Policy Workgroup meetings Total: \$7,000</p> <p>Professional meetings and activities for workgroups and MO-HITECH Office Total: \$21,478</p> <p>Supplies for Mo-HITECH staff Total: \$16,128</p>
Contractual	\$1,690,682	\$39,318	\$0	\$1,730,000	<p>1 consultants to staff Technical Infrastructure Workgroup</p> <ul style="list-style-type: none"> • 1 month planning phase • 3 months operational planning • 8 months implementation support <p>Total: \$60,000</p> <p>2 contracted staff counsel to participate in and help support Legal/Policy Administrative Staff Total: \$225,000</p> <p>Consultant to define and develop Evaluation, collect baseline measures</p> <ul style="list-style-type: none"> • 1 month planning phase • 3 months operational planning • 8 months implementation support <p>Total: \$70,000</p> <p>Consultant to staff Business & Technical Operations/Adoption Workgroup</p> <ul style="list-style-type: none"> • 1 month planning phase • 3 months operational planning • 8 months implementation support <p>Total: \$60,000</p>

Missouri Health Information Technology (MO-HITECH) Program
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					<p>Consultant to staff Consumer Engagement Workgroup</p> <ul style="list-style-type: none"> • 1 month planning phase • 3 months operational planning • 8 months implementation support <p>Total: \$60,000</p>
					<p>Consultant to staff Finance Workgroup</p> <ul style="list-style-type: none"> • 1 month planning phase • 3 months operational planning • 8 months implementation support <p>Total: \$60,000</p>
					<p>Consultant to support Advisory Board</p> <ul style="list-style-type: none"> • 1 month planning phase • 3 months operational planning • 8 months implementation support <p>Total: \$56,250</p>
					<p>Contract project manager reporting to MO-HITECH Director</p> <p>Total: \$100,000</p>
					<p>External counsel to provider MO legal expertise and staff Legal/Policy Workgroup</p> <ul style="list-style-type: none"> • 1 month planning phase • 3 months operational planning • 8 months implementation support <p>Total: \$60,000</p>
					<p>Funding for hardware and software and contract for systems development, software development, installation, etc.</p> <p>Total: \$600,000</p>
					<p>Governance subject matter expert/consultant to staff Governance Workgroup</p> <ul style="list-style-type: none"> • 1 month planning phase • 3 months operational planning • 8 months implementation support <p>Total: \$60,000</p>
					<p>Consultant to support the HIE Not For Profit Public Private Board (one quarter)</p> <p>Total: \$18,750</p>

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					Consultant efforts associated with operational plan development (through April) Total: \$300,000
Other	\$432,443	\$10,057	\$0	\$442,500	Office Operations Funds leased space, utilities, janitorial, trash, parking, etc for office operations Total: \$60,000
					Insurance Total: 7,500
					Stakeholder engagement and communications Total: \$375,000
Indirect Charges	\$0	\$0	\$0	\$0	N/A
TOTAL	\$3,223,271	\$74,960	\$0	\$3,298,231	

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Budget Narrative/Justification —2011

Object Class Category	Federal Funds	Non-Federal Cash	Non-Federal In-Kind	TOTAL	Justification
Personnel	\$297,188	\$32,812	\$0	\$330,000	MO-HITECH staff - <ul style="list-style-type: none"> • Director/Health IT Coordinator: \$115,000 • Project Manager: \$80,000 • Communications Director: \$65,000 • 2 Administrative Staff: \$70,000 Total: \$330,000
Fringe Benefits	\$178,699	\$19,730	\$0	\$198,429	Fringe benefit rate @ 60.13% applied to MO-HITECH staff Total: \$198,429
Travel	\$58,026	\$6,407	\$0	\$64,433	In-state travel and supplies for the HIE Not For Profit Public Private Board and workgroups Total: \$ 42,955
					Professional meetings and activities for workgroups and MO-HITECH Office Total: \$21,478
Equipment	\$1,891,193	\$208,807	\$0	\$2,100,000	Funding for hardware and software and contract for systems development, software development, installation, etc. Total: \$2,100,000
Supplies	\$71,690	\$7,915	\$0	\$79,605	Meeting expenses for monthly Business & Technical Operations/Adoption Workgroup meetings Total: \$7,000
					Meeting expenses for monthly Consumer Engagement Workgroup meetings Total: \$7,000
					Meeting expenses for monthly Finance Workgroup meetings Total: \$7,000
					Meeting expenses for monthly Governance Workgroup meetings Total: \$7,000
					Meeting expenses for monthly Infrastructure Workgroup meetings Total: \$7,000

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					Meeting expenses for monthly Legal/Policy Workgroup meetings Total: \$7,000
					Professional meetings and activities for workgroups and MO-HITECH Office Total: \$21,478
					Supplies for the HIE Not For Profit Public Private Board Total: \$16,128
Contractual	\$3507,713	\$387,287	\$0	\$3,895,000	2 contracted staff counsel to participate in and help support Legal/Policy Administrative Staff Total: \$225,000
					Consultant to staff Business & Technical Operations/Adoption Workgroup Total: \$50,000
					Consultant to staff Consumer Engagement Workgroup Total: \$50,000
					Consultant to staff Finance Workgroup Total: \$50,000
					Consultant to staff Technical Infrastructure Workgroup Total: \$50,000
					Consultant to support the HIE Not For Profit Public Private Board Total: \$70,000
					Contract project manager reporting to MO-HITECH Director Total: \$100,000
					Contractor for evaluation data collection Total: \$50,000 External counsel to provider MO legal expertise and staff Legal/Policy Workgroup Total: \$50,000 Funding for hardware and software and contract for systems development, software development, installation, etc. Total: \$3,150,000
					Governance subject matter expert/consultant to staff Governance Workgroup Total: \$50,000
Other	\$482,076	\$53,226	\$0	\$535,302	Insurance Total: \$30,000

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					<p>Office Operations (\$5,000 for 12 mos) Funds leased space, utilities, janitorial, trash, parking, etc for office operations Total: \$60,000</p> <p>Stakeholder engagement and communications Total: \$325,000</p>
					<p>Training materials development, reproduction and distribution Total: \$120,302</p>
Indirect Charges	\$0	\$0	\$0	\$0	N/A
TOTAL	\$6,512,238	\$716,781	\$0	\$7,229,019	

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Budget Narrative/Justification —2012

Object Class Category	Federal Funds	Non-Federal Cash	Non-Federal In-Kind	TOTAL	Justification
Personnel	\$278,438	\$51,562	\$0	\$330,000	MO-HITECH staff - <ul style="list-style-type: none"> • Director/Health IT Coordinator: \$115,000 • Project Manager: \$80,000 • Communications Director: \$65,000 • 2 Administrative Staff: \$70,000 Total: \$330,000
Fringe Benefits	\$167,424	\$31,005	\$0	\$198,429	Fringe benefit rate @ 60.13% applied to MO-HITECH staff Total: \$198,429
Travel	\$41,220	\$7,634	\$0	\$48,854	In-state travel and supplies for the HIE Not For Profit Public Private Board and workgroups Total: \$32,569
					Professional meetings and activities for workgroups and MO-HITECH Office Total: \$16,285
Equipment	\$657,955	\$121,843	\$0	\$779,798	Funding for hardware and software and contract for systems development, software development, installation, etc. Total: 779,798
Supplies	\$62,786	\$11,627	\$0	\$74,413	Meeting expenses for monthly Business & Technical Operations/Adoption Workgroup meetings Total: \$7,000
					Meeting expenses for monthly Consumer Engagement Workgroup meetings Total: \$7,000
					Meeting expenses for monthly Finance Workgroup meetings Total: \$7,000
					Meeting expenses for monthly Governance Workgroup meetings Total: \$7,000
					Meeting expenses for monthly Infrastructure Workgroup meetings Total: \$7,000

Missouri Health Information Technology (MO-HITECH) Program
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					Meeting expenses for monthly Legal/Policy Workgroup meetings Total: \$7,000
					Professional meetings and activities for workgroups and MO-HITECH Office Total: \$16,285
					Supplies for Mo-HITECH staff Total: \$16,128
Contractual	\$1,476,307	\$273,390	\$0	\$1,749,697	Consultant to staff Business & Technical Operations/Adoption Workgroup Total: \$50,000
					Consultant to staff Consumer Engagement Workgroup Total: \$50,000
					Consultant to staff Finance Workgroup Total: \$50,000
					Consultant to staff Technical Infrastructure Workgroup Total: \$50,000
					Consultant to support the HIE Not For Profit Public Private Board Total: \$70,000
					Contract project manager reporting to MO-HITECH Director Total: \$100,000
					Contracted staff counsel to participate in and help support Legal/Policy Administrative Staff Total: \$60,000
					Contractor for evaluation data collection Total: \$50,000
					External counsel to provider MO legal expertise and staff Legal/Policy Workgroup Total: \$50,000
					Funding for hardware and software and contract for systems development, software development, installation, etc. Total: \$1,169,697
					Governance subject matter expert/consultant to staff Governance Workgroup Total: \$50,000
Other	\$451,661	\$83,641	\$0	\$535,301	Insurance Total: \$30,000

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					Office Operations (\$5,000 for 12 mos) Total: \$60,000
					Stakeholder engagement and communications Total: \$325,000
					Training materials development, reproduction and distribution Total: \$120,302
Indirect Charges	\$0	\$0	\$0	\$0	N/A
TOTAL	\$3,135,790	\$580,702	\$0	\$3,716,492	

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Budget Narrative/Justification —2013

Object Class Category	Federal Funds	Non-Federal Cash	Non-Federal In-Kind	TOTAL	Justification
Personnel	\$247,500	\$82,500	\$0	\$330,000	MO-HITECH staff - <ul style="list-style-type: none"> • Director/Health IT Coordinator: \$115,000 • Project Manager: \$80,000 • Communications Director: \$65,000 • 2 Administrative Staff: \$70,000 Total: \$330,000
Fringe Benefits	\$148,822	\$49,607	\$0	\$198,429	Fringe benefit rate @ 60.13% applied to MO-HITECH staff Total: \$198,429
Travel	\$24,750	\$8,250	\$0	\$33,000	In-state travel and supplies for the HIE Not For Profit Public Private Board and workgroups Total: \$22,000
					Professional meetings and activities for workgroups and MO-HITECH Office Total: \$11,000
Equipment	\$0	\$0	\$0	\$0	N/A
Supplies	\$51,846	\$17,282	\$0	\$69,128	Meeting expenses for monthly Business & Technical Operations/Adoption Workgroup meetings Total: \$7,000
					Meeting expenses for monthly Consumer Engagement Workgroup meetings Total: \$7,000
					Meeting expenses for monthly Finance Workgroup meetings Total: \$7,000
					Meeting expenses for monthly Governance Workgroup meetings Total: \$7,000
					Meeting expenses for monthly Infrastructure Workgroup meetings Total: \$7,000
					Meeting expenses for monthly Legal/Policy Workgroup meetings Total: \$7,000

Missouri Health Information Technology (MO-HITECH) Program
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					Professional meetings and activities for workgroups and MO-HITECH Office Total: \$11,000
					Supplies for Mo-HITECH staff Total: \$16,128
Contractual	\$45,000	\$15,000	\$0	\$60,000	Contracted staff counsel to participate in and help support Legal/Policy Administrative Staff Total: \$60,000
Other	\$401,476	\$133,826	\$0	\$535,302	Insurance Total: \$30,000
					Office Operations (\$5,000 for 12 mos) Total: \$60,000
					Stakeholder engagement and communications Total: \$325,000
					Training materials development, reproduction and distribution Total: \$120,302
Indirect Charges	\$0	\$0	\$0	\$0	N/A
TOTAL	\$919,394	\$306,465	\$0	\$1,225,859	